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**FISCAL IMPACT STATEMENT**

**LS 6783**

**BILL NUMBER:** SB 527

**NOTE PREPARED:** Apr 6, 2005

**BILL AMENDED:** Mar 31, 2005

**SUBJECT:** Board of Animal Health issues.

**FIRST AUTHOR:** Sen. Jackman

**FIRST SPONSOR:** Rep. Lehe

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides the Board of Animal Health (BAH) with authority over pests of animals and objects that could harbor a pest or disease. The bill allows the BAH to pay certain indemnity costs related to condemned animals and objects, including disposal and disinfection costs. It prohibits indemnity in certain circumstances. This bill also removes the limit on the amount payable for cattle because of tuberculosis. The bill also amends definitions of "dairy farm" and "milk plant". It allows the BAH to suspend various milk permits. The bill changes the expiration date of various milk permits. It repeals certain definitions. The bill also makes technical amendments. It provides that cervidae and cervidae products legally produced, purchased, possessed, or acquired within Indiana are the exclusive property of the owner and that meat and products from privately owned cervidae may be sold to the general public.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** This bill makes several changes to the administration and authority of the BAH. This bill provides the BAH with authority over pests of animals and objects that could harbor a pest or disease affecting the health of animals. Among other provisions, the bill gives the BAH the general supervision over of the detection, control, and eradication of pests affecting the health of animals, including to investigate allegations of unregistered, unlicensed, and unpermitted activities. The bill defines "pest" as, among other provisions, a plant that can directly or indirectly injure, cause damage to, or cause disease in animals. This definition could result in some overlap of responsibility between the BAH and the Department of Natural Resources' (DNR) Division of Entomology and Plant Pathology. The BAH may hold, seize, quarantine, treat, destroy, dispose of, or take other remedial action with respect to any animal or progeny of any animal, object, or means of conveyance that the BAH has reason to believe may carry or have carried, or

may have been affected by or exposed to any disease or pest of animals. Among other provisions, the bill allows the BAH to pay the cost of transporting, testing, treating, euthanizing, destroying, and disposing of infected, exposed, or suspect animals and objects. It is possible that if outbreaks occur that pertain to the pests that affected the health of animals that the BAH would need additional funds and resources. Currently, the BAH is limited to seven field inspectors. In some cases, the BAH could seek the assistance of the DNR or contract for testing services as it currently does.

The bill also conforms state law regarding the use of the BAH's Indemnity Fund to the Board's current practice. It also removes the limit on the amount that can be paid for cattle due to tuberculosis. The changes are not expected to increase payments made from the Indemnity Fund. The Board received a General Fund appropriation of \$49,430 for the FY 2004-FY 2005 biennium.

The BAH may adopt emergency rules to implement the above provisions. It is expected that the BAH will be able to absorb any additional expenses associated with rules given its existing budget and resources.

(Revised) *Selling Deer Meat to the Public*. The bill provides that deer meat and products from privately owned cervidae may be sold to the public. The Board of Animal Health (BAH) inspects approximately 131 slaughter houses with a staff of 52 inspectors. Animals are inspected before and after slaughter. The BAH is aware of 350 deer farms. Additional responsibilities added to the BAH will require additional staff. Costs, including fringe benefits, for one additional staff member are estimated at \$55,582.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:** (Revised) *Violations*. Under existing law, a person who sells, offers to sell, purchases, or offers to purchase a deer or a part of a deer must reimburse the state \$500 for the first violation and \$1,000 for each subsequent violation. The money is deposited in the Conservation Officers Fish and Wildlife Fund. The proposal would eliminate the collection of revenues from violations for this fund. The impact, if any, is not expected to be significant.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** BAH.

**Local Agencies Affected:**

**Information Sources:** Gary Haynes, BAH; DNR.

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